

Central California Traction Company and Sacramento Northern Railway to the Sacramento City Lines.

A public hearing was held before Examiner Hall in Sacramento on April 18, 1944, at which time the matters were consolidated for hearing and determination.

Central California Traction Company operates a line of electric railroad between Stockton and Sacramento. This company handles only freight, except for one street car line in the City of Sacramento which extends a short distance into unincorporated territory in the County of Sacramento. (1)

Central California Traction Company proposes to sell to Sacramento City Lines (Application No. 26067) that portion of its tracks and overhead construction on 8th Street between J and X Streets and also nine double truck street cars. The remaining trackage will continue to be used by Central California Traction Company for its freight service. A trackage agreement has been entered into by the two companies whereby they will operate jointly between the intersection of 8th and X Streets and the intersection of 21st Avenue and Solano Avenue.

Applicant Sacramento City Lines has agreed to pay Central California Traction Company \$42,500.00 for the property to be acquired. The depreciated value of the property to be taken over is

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- (1) The route of said street car service is as follows: Commencing at the intersection of 8th and J Streets in Sacramento; thence southerly on 8th Street to X Street; thence easterly on X Street to Alhambra Boulevard; thence south on Alhambra Boulevard to Sacramento Boulevard; thence southerly on Sacramento Boulevard to Second Avenue; thence easterly along Second Avenue to Stockton Boulevard; thence southerly on Stockton Boulevard to the southerly city limits of Sacramento; thence southerly along Stockton Boulevard in the County of Sacramento to 21st Avenue; and thence easterly on 21st Avenue to Solano Street; and returning over the same route.

estimated at \$54,151.00 (Exhibit No. 2)

Applicant Sacramento City Lines estimates that the net income of service to be acquired will amount to \$3,735.00 for one year. (2)

Applicant Sacramento City Lines proposes for the duration of the war emergency to continue the operation of street cars; however when motor coach equipment is available it proposes to discontinue street cars and substitute motor coach service, and has entered into an agreement with the City of Sacramento (Ordinance No. 1005 Fourth Series) whereby it will pay to the City the sum of \$11,651.00 and the City will remove the tracks and repave the streets.

Central California Traction Company and Sacramento City Lines propose to enter into an agreement covering the joint operation of tracks over which freight operations will continue, in order that said operations will be carried on in an expeditious and safe manner.

Sacramento Northern Railway operates a line of electric railroad between Oakland, Alameda County, and Chico, Butte County. This line of railroad passes through Sacramento. The principal business of Sacramento Northern Railway is the handling of freight. Its principal passenger service is a local street car line in Sacramento (3) which it proposes to transfer to Sacramento City Lines.

(2) Estimate of revenues and expenses for one year (Exhibit No. 3)

Estimated Income	\$110,000.00	
" Expenses	<u>103,775.00</u>	
Net Income from Operations		\$ 6,225.00
Federal Income Tax - 40%		<u>2,490.00</u>
Estimated net profit		\$ 3,735.00

Or a return of 6.9 per cent on \$54,151.00 valuation.

(3) Description of route: Commencing at the intersection of 8th and M Streets at the point of connection with Central California Traction Company and the system of Sacramento Northern Railway; thence northerly along 8th Street to I Street; thence easterly along I Street to 15th Street; thence northerly along 15th Street to D Street; thence easterly along D Street to a point midway between 18th and 19th Streets; thence in a northerly direction to C Street; thence easterly along C Street to Alhambra Boulevard; thence southerly along Alhambra Boulevard to F Street; and return via the same route.

Sacramento City Lines proposes to acquire tracks and appurtenances thereto on 8th Street, I Street, 15th Street, D Street between the intersection of 8th Street and M Street and the westerly line of 17th Street on D Street, and to acquire trackage rights along D Street, private right of way, C Street, and Alhambra Boulevard between the west line of 17th Street on D Street and the intersection of Alhambra Boulevard and F Street, all of which is shown on the map Exhibit No. 7.

Sacramento City Lines proposes to pay to Sacramento Northern Railway the sum of \$20,000 for the property to be acquired and assume the obligation of removing rail and paving the streets involved when street car service is abandoned. It is estimated that the depreciated value of the property to be acquired is \$34,335.00 (Exhibit No. 5).

Applicant Sacramento City Lines estimates that it will receive an annual net revenue of \$1,460.00. (4)

When the war emergency is over, or as soon as it can secure sufficient motor coach equipment, Sacramento City Lines proposes to abandon street car service and install in lieu thereof motor coach service. An agreement has been reached with the City of Sacramento whereby when street car service is abandoned Sacramento City Lines will pay to the City \$14,336.00 and the City in turn will remove tracks and repave the street (Ordinance No. 1006, Fourth Series).

Sacramento City Lines does not propose to obligate itself in acquiring these properties by issuing notes or additional stock, but has sufficient cash in its treasury to meet its obligations.

(4) Estimate of earnings for one year (Exhibit No. 6)

Estimated Income	\$50,000.00
" Expenses	<u>47,570.00</u>
Net Income from Operations	\$2,430.00
Federal Income Tax - 40%	<u>970.00</u>
Estimated net Profit	\$1,460.00

Or a return of 4.25 per cent on \$34,355.00 valuation.

Sacramento City Lines, Central California Traction Company, and Sacramento Northern Railway are in agreement with the City of Sacramento, as evidenced by Ordinances Nos. 1005 and 1006, (Fourth Series). No one appeared at the hearing to oppose the granting of the applications.

Sacramento City Lines now operates a city-wide street car and motor coach system which does not offer the interchange of free transfers with the two lines proposed to be acquired. By the acquisition of these lines a universal transfer privilege will be placed in effect for the patrons of these two lines. The rate of fare is the same on Central California Traction Company as on the Sacramento City Lines, viz., 7 cents single fare or 4 tokens for 25 cents, whereas the fare on the Sacramento Northern Railway is 5 cents. When the Sacramento City Lines takes this route over the fare will be increased to 7 cents, or 4 tokens for 25 cents. This will increase the fare for those passengers who do not use a transfer and will reduce the fare for those who use a transfer. Those transfer passengers now pay individual fares on each line.

After a review of the entire record it is clear that the acquisition of these two lines by Sacramento City Lines will provide to the Sacramento traveling public a better and unified system, and the request of Sacramento City Lines to acquire, and the Central California Traction Company and Sacramento Northern Railway to sell these lines should be granted.

Certification of motor coach service to replace the rail service should be provided for at this time so that at the end of the war emergency or when motor coach equipment becomes available, the conversion can be made as expeditiously as possible, and the order will so provide.

O R D E R

A public hearing having been held and the Commission having considered the record in these proceedings, and being of the opinion that the sale and transfer of said properties is in public interest, these applications should be granted subject to the provisions of this order, therefore

IT IS HEREBY ORDERED that:

I. Central California Traction Company may, after the date hereof or on or before December 31, 1944, sell, transfer, and convey to Sacramento City Lines, and said Sacramento City Lines may purchase from Central California Traction Company the street railway line described in Paragraph IV of Application No. 26067, and said Central California Traction Company and said Sacramento City Lines may enter into an agreement in the same form as that on file in Application No. 26067, Exhibit "A," and consummate said agreement in accordance with its terms and conditions.

II. Upon the sale and transfer of said electric street railway line to Sacramento City Lines, Central California Traction Company may withdraw and cancel its tariffs, rules, and regulations applicable to said passenger street railway service, now filed with this Commission.

III. Within ninety (90) days after the sale, transfer, and conveyance of said properties to Sacramento City Lines, Central California Traction Company shall file with the California Railroad Commission a true and correct copy of each journal entry recorded on its books to give effect to the sale, transfer, and conveyance of said properties.

IV. Within ninety (90) days after the sale, transfer, and conveyance of said properties Central California Traction Company shall file with this Commission two certified copies of the agreement

executed under the authority herein granted.

V. Sacramento Northern Railway may, after the date hereof or on or before December 31, 1944, sell, transfer, and convey to Sacramento City Lines, and said Sacramento City Lines may purchase from Sacramento Northern Railway the street railway service described in Paragraph III of Application No. 26068, and said Sacramento Northern Railway and said Sacramento City Lines may enter into an agreement in the same form as that on file in Application No. 26070, Exhibit "A," and consummate said agreement in accordance with its terms and conditions.

VI. Upon the sale and transfer of said electric street railway line to Sacramento City Lines, Sacramento Northern Railway may withdraw and cancel its tariffs, rules, and regulations applicable to said passenger street railway service, now filed with this Commission.

VII. Within ninety (90) days after the sale, transfer, and conveyance of said properties to Sacramento City Lines, Sacramento Northern Railway shall file with this Commission a true and correct copy of each journal entry recorded on its books to give effect to the sale, transfer, and conveyance of said properties.

VIII. Within ninety (90) days after the sale, transfer, and conveyance of said properties Sacramento Northern Railway shall file with this Commission two certified copies of the agreement executed under the authority herein granted.

IX. A certificate of public convenience and necessity is hereby granted to Sacramento City Lines to establish and operate street railway and future motor coach passenger service referred to in these applications within the City of Sacramento and territory adjacent thereto and to exercise the rights and privileges granted to said Sacramento City Lines by Ordinances Nos. 1005 and 1006 Fourth Series

of the City of Sacramento as an extension and enlargement of its present operative rights, and consolidated therewith, provided the authority herein granted is subject to the condition that Sacramento City Lines, its successors or assigns, shall never claim before this Commission or any court or public body a value for said certificate of public convenience and necessity an amount in excess of that paid to the State or to the City of Sacramento or the County of Sacramento as the consideration for such right.

X. In providing service pursuant to the foregoing certificate, Sacramento City Lines shall comply with and observe the following service regulations:

1. Sacramento City Lines shall file a written acceptance of the certificate herein granted within a period of not to exceed 30 days from the date hereof.
2. Sacramento City Lines shall comply with the provisions of General Order No. 79 and Part IV of General Order No. 93-A by filing in triplicate and concurrently making effective tariffs and time schedules satisfactory to the Commission within thirty (30) days from the date hereof and on not less than one (1) day's notice to the Commission and the public.
3. Subject to the authority of this Commission to change or modify same at any time by further order, said Sacramento City Lines shall conduct said street railway operations over and along the following routes:

Commencing at the intersection of 8th and J Streets in Sacramento; thence southerly on 8th Street to X Street; thence easterly on X Street to Alhambra Boulevard; thence south on Alhambra Boulevard to Sacramento Boulevard; thence southerly on Sacramento Boulevard to Second Avenue; thence easterly along Second Avenue to Stockton Boulevard; thence southerly on Stockton Boulevard to the southerly city limits of Sacramento; thence southerly along Stockton Boulevard in the County of Sacramento to 21st Avenue; and thence easterly on 21st Avenue to Solano Street; and returning over the same route.

Commencing at the intersection of 8th and M Streets at the point of connection with Central California Traction Company and the system of Sacramento Northern Railway; thence northerly along 8th Street to I Street; thence easterly along I Street to 15th Street; thence northerly along 15th Street to D Street; thence easterly along D Street to a point midway between 18th and 19th Streets; thence in a northerly direction to C Street; thence easterly along C Street to Alhambra Boulevard; thence southerly along Alhambra Boulevard to F Street; and return via the same route.

4. Sacramento City Lines may, upon thirty (30) days' notice to the Commission and the public, substitute motor coach service for the street car service authorized in service regulation 3 hereof.
5. Sacramento City Lines may turn its motor vehicles at termini, either in the intersection of the streets or by operating around a block contiguous thereto in either direction.

XI. Sacramento City Lines is authorized to operate its street cars along tracks of Central California Traction Company between the intersection of 8th Street and X Street in the City of Sacramento, and the intersection of 21st Avenue and Solano Street in the County of Sacramento, and along the tracks of Sacramento Northern Railway between the intersection of D Street and 17th Street and the intersection of Alhambra Boulevard and F Street, subject to the condition that within thirty (30) days from the commencement of service by Sacramento City Lines, it file with the Commission operating rules and regulations covering said joint operation. Said operating rules shall be approved by Central California Traction Company and Sacramento Northern Railway, respectively.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 25th day of April, 1944.

Richard L. Huber
Justin F. Caseman
Frank R. Havens
Howard C. ...
Just Powell
Commissioners